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Snoop case tension between old allies may blow over

5 By RACHEL FLICK in Washington and URI DAN in Jerusalem

U.S. AND Israeli officials conceded last night that the stunning revelations in the Pollard spy case are bound to cause a "bump" in relations beto cause a tween the two close allies.

But they predicted that long-term problems could be avoided.

"You know, we are all

adults and we all know countries do this kind of thing. But when you find it happening, and especially when it's an ally, it's very difficult," a State Dept. official told The Post.

White Α senior House foreign policy adviser was optimistic about the long term, saying:

"I can't imagine this will have any long-lasting effect on our relations. We have so many common interests and shared values."

He was cautious about the short term. saying:

"I don't know. It's kind of hard to say when everything is still under investigation."

Sources on both sides predicted the special behind-the-scenes relations between U.S. intelligence and the Israeli "CIA" — the Mossad - will be hurt. even if governmentlevel relations aren't damaged.

They also said Pollard's plea-bargaining arrangement probably reduced the damage by avoiding a sensational, long-running trial.

But they noted that it is impossible to predict all the ramifications until the full story of the Pollard case including whether high-ranking Israeli diplomats are involved — is known.

It also is unclear whether the U.S. Justice Dept. will take action against the four Israelis named in court papers made public yesterday.

"It's possible — it's not assumed but it's possible," said Justice Dept. spokesman Pat Korten

In Jerusalem, Israeli officials said Prime Minister Shimon Peres is "embarrassed and frustrated" by the latest revelations, especially since he had declared that the Pollard case involved just a few rogue agents.

The Peres government continues to deny that it sanctioned the Pollard spy plot.